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IN THE

Supreme Court of the United States

October Term, 1978

No. **—78-185**

AMERICAN INTERNATIONAL REINSURANCE
COMPANY, INC.,

Petitioner,

v.

AIRCO, INC.,

Respondent.

**PETITION FOR WRIT OF CERTIORARI TO
THE UNITED STATES COURT OF
CUSTOMS AND PATENT APPEALS**

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PETITION FOR WRIT OF CERTIORARI TO
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CUSTOMS AND PATENT APPEALS

Petitioner, American International Reinsurance Company, Inc., prays that a Writ of Certiorari issue to review the judgment of the United States Court of Customs and Patent Appeals.

Opinions Below

The decision and opinion of the Court of Customs and Patent Appeals are reprinted as *Appendix A* to this Petition. The dissent to that decision is reprinted as *Appendix B*. The decision and opinion of the Trademark Trial and Appeal Board is reprinted as *Appendix C*.

Jurisdiction

The judgment of the United States Court of Customs and Patent Appeals was entered on February 23, 1978. A timely petition for rehearing was denied on April 27, 1978. The mandate of the U.S. Court of Customs and Patent Appeals was issued on May 4, 1978, allowing petitioner until August 2, 1978 to file this petition. The jurisdiction of this Court is invoked under 28 U.S.C. §1256.

Questions Presented

1. Has the Court of Customs and Patent Appeals so interpreted 15 U.S.C. 1053 regarding the federal registration of "service marks" as to jeopardize the effectiveness of that section of the Lanham Act, and to frustrate the purpose intended by Congress?

2. Has the Court of Customs and Patent Appeals interpreted the meaning of the phrase "service marks used in commerce" set forth in 15 U.S.C. 1053 in a manner inconsistent with the spirit of Article I, Section 8, Clause 3 of the United States Constitution and 15 U.S.C. 1053 of the Lanham Act?

3. Is the decision of the Court of Customs and Patent Appeals in conflict with this Court's admonition that property rights in marks can be acquired only "as a right appurtenant to a business or trade"?

4. Did the Court of Customs and Patent Appeals err in deciding that, as a matter of law, the clerical acts per-

formed by the respondent regarding its own "fringe benefit" pension plan for its own employees comprise a "service" rendered in "commerce" within the meaning of 15 U.S.C. 1053?

Constitutional and Statutory Provisions Involved

This case involves Article I, Section 8, Clause 3 of the Constitution (App. D); and Sections 1053 and 1127 of the United States Trademark Act (the Lanham Act of July 5, 1946) 15 U.S.C. 1053, 1127 (App. E).

Statement of the Case

A. The Issues Presented

The controversy involves Opposition No. 56,735 brought on March 14, 1975, by petitioner, American International Reinsurance Company, Inc., against the respondent, Airco, Inc.'s application Serial No. 25,457 filed June 27, 1974 for federal registration of its alleged service mark AIRCO for use in association with "administering annuity plans for others", in the insurance services class.

Petitioner seeks review of the decision of the United States Court of Customs and Patent Appeals which, with one dissent, affirmed the decision of the Trademark Trial and Appeal Board holding that Airco, Inc., was entitled to its requested federal registration.

The sole issue before this Court is whether Airco, Inc.'s "in house" clerical acts in processing "fringe benefit" annuity plans for its own employees (and for those of its

subsidiaries and affiliates) and their surviving beneficiaries is a "service" with respect to which service mark rights may vest.

B. The Proceedings Below

On March 14, 1975, petitioner filed with the Trademark Trial and Appeal Board its opposition to the issuance of a registration to Airco, Inc., on respondent's application Serial No. 25,457 filed June 27, 1974. After substantial discovery, petitioner filed a motion for summary judgment urging that, as a matter of law, respondent's identified services, even if performed in association with respondent's alleged mark AIRCO, are not the type services with respect to which service mark rights could vest under the Lanham Act.

Respondent cross-moved for summary judgment, arguing that the question of whether Airco, Inc.'s services fall within the meaning of the Lanham Act was an *ex parte* issue which could not be raised by petitioner. Respondent further urged that its "in house" clerical activities were indeed the type services with respect to which service mark rights could vest both at common law and under the Lanham Act.

The Trademark Trial and Appeal Board ruled that the respondent was entitled to its registration, and a majority of the Court of Customs and Patent Appeals affirmed.

C. The Undisputed Facts

As to respondent's claimed insurance-class services, namely, "Administering annuity plans for others", it is undisputed that:*

1. Respondent is *not* in the insurance business, is *not* licensed to engage in such business, and has *not* sought such a license, in any jurisdiction in the United States or elsewhere.
2. The claimed "annuity plans" are respondent's private employee-pension plans.
3. It is a condition precedent to creation of an annuity under respondent's plan or plans that the prospective annuitant be an employee of respondent, or of a subsidiary or affiliate of respondent.
4. The "others" referred to in respondent's identification of services are *only* the employees and their successors or beneficiaries.
5. By the stated terms of the "annuity plans" referred to in respondent's identification of services:
 - (a) Respondent is *not* the source of benefits;
 - (b) Respondent is *not* the trustee;
 - (c) Respondent is *not* the insurer;
 - (d) Respondent is *not* the administrator; in that ultimate responsibility for administering the plans is stated to reside in a "Pension Committee" comprising persons not employed by respondent.
6. Whatever respondent does administratively is strictly clerical, is at respondent's expense, and is

* Support for these undisputed facts was compiled in a binder marked below as Opposer's Motion Exhibit B (R-JA73 to JA215).

in accordance with instructions and direction from the Insurance Company (Aetna) and/or the Pension Committee.

7. The "annuity plans" are only "fringe benefits"* and respondent makes a substantial contribution thereto.**

D. The Decisions Below

The Trademark Trial and Appeal Board

The Trademark Trial and Appeal Board refused to consider petitioner's sole issue of whether or not, as a matter of law, respondent performs a "service" within the meaning of the Lanham Act, on the ground that the Board considered such a question to initially be an *ex parte* issue for the Examiner and not one for the Board. The Board then concluded, without considering the nature of the respondent's alleged services, that since the petitioner's alleged "use date" was subsequent to the respondent's alleged "use date", the petitioner could not be damaged by the issuance of a registration and, hence, the opposition should be dismissed.

The United States Court of Customs and Patent Appeals

On appeal, the United States Court of Customs and Patent Appeals unanimously reversed the Board regarding its ruling that the question of whether or not the alleged services fall within the scope of the Lanham Act was an *ex parte* issue for determination by the Examiner.

* Testimony of respondent's Legal Vice President (at R-JA77) in the record below.

** Respondent's brief below at pp. 6, 7.

The Court then proceeded to determine whether the respondent's services were the type with respect to which service mark rights could vest.

The majority referred to 15 U.S.C. 1127, and found no definition for the term "service".* The majority then concluded:

"It would appear self-evident that no attempt was made to define 'services' simply because of the *plethora of services that the human mind is capable of conceiving.*" (Decision, p. 6, lines 3-5) [Emphasis Added]

The majority then held that, since the employees have the "option" of enrolling in respondent's annuity plans or of going to the marketplace to select a different annuity plan, the clerical activities involved in administering such annuity plans fall within the scope of the Lanham Act. The majority further held that such services are "totally separate" from the sale of respondent's products and are rendered to a segment of the public who, ostensibly, are not even the purchasers of respondent's products.**

In the dissent, Judge Miller states that the respondent's employees are not a part of the public insofar as respondent is concerned and the Lanham Act is not concerned with such private employees. Judge Miller then concludes that "applicant's 'in-house' clerical acts . . . [do not constitute] a service with respect to which service mark rights may vest".

* However, the same statutory section does have a definition for "service mark," apparently overlooked by the majority:

"The term 'service mark' means a mark used in the *sale or advertising* [presumably for sale] of services . . ." [Emphasis added.] 15 U.S.C. 1127.

** What the majority opinion does not note is the fact that respondent's annuity plans are "fringe benefits" which are essentially give away programs through which respondent provides remuneration to its employees.

Reasons for Granting Writ

A. In Summary

Petitioner respectfully submits that this Court should review the present case:

1. The decision has interpreted the meaning of the phrase "service marks used in commerce" set forth in 15 U.S.C. 1053 in a manner totally inconsistent with the spirit of Article I, Section 8, Clause 3 of the United States Constitution and Section 15 U.S.C. 1053 of the Lanham Act.
2. The decision clearly conflicts with this Court's admonition that property rights in marks can be acquired only "as a right appurtenant to a business or trade".
3. A reversal of the decision is in the national interest, in that the decision requires that 15 U.S.C. 1053 regarding the federal registration of "service marks" be interpreted so as to jeopardize the intended purpose and effectiveness of the Lanham Act as it applies to "service marks".
4. The decision is in error in that, as a matter of law, the clerical acts performed by the respondent regarding its own "fringe benefit" pension plans offered as remuneration to its own employees do not comprise a "service" rendered in "commerce" within the meaning of 15 U.S.C. 1053.

B. Summary Argument

1. *The decision misinterprets the meaning of the phrase "used in commerce" in the constitutional sense.*

The Lanham Act was enacted under the Commerce Clause of the United States Constitution and requires that, in order for a "service mark" to be registrable, such mark must be used "in commerce".

It is undisputed that the respondent's alleged "services" are nothing more than the clerical activities it performs regarding its own "fringe benefit" annuity plans for its own employees and for those of its subsidiaries and affiliates. As this Court has instructed, "commerce . . . comprehends intercourse for the purpose of trade . . ." *United States v. Steffens*, 100 U.S. 82, 86 (1879).

In the present case, it can hardly be said that the respondent's services in any way comprise a "trade". Respondent makes a substantial contribution to the employee's pension program which contribution is a large percentage of the employee's contribution. Taking this into consideration, for the majority to conclude that the employee has the "option" of enrolling in the respondent's plan or to "elect to" go to the marketplace to select a different plan is simply *unrealistic*.

Respondent's annuity plan is nothing more than a means of providing substantial, tax-free remuneration to its employees. We submit that nowhere in any "marketplace" will respondent's employees find such a give away annuity plan, nor can the respondent possibly identify any "optional" source for such a plan.

In fact, to say that respondent "offers" its "fringe benefit" and that its employees have the "option" to reject same is as illusory and unrealistic as to say that an employer offers a salary and an employee has the "option" of rejecting his salary.

Most importantly, however, respondent's employees do *not* have the "option" of having some entity other than respondent "administer" the annuity benefits provided by respondent.*

Finally, in the practical business world, one attaches a profit motive to the phrase "business or trade". Respondent, however, performs its "administration" services at its *own expense* (Respondent's Brief below, p. 7).

We submit that, if respondent truly provides its alleged administration services as a "business or trade" (primary or otherwise) "totally separate from the sale of respondent's products"*** and at its own expense, respondent would not be in such a "business" very long.

* And, the respondent has *no option*, but is required by law to provide the employee, without charge, its so-called "administration" services. See the *Employee Retirement Income Security Act*.

** Court of Customs and Patent Appeals Decision (App. A) page 8, lines 19, 20.

2. The decision conflicts with the decisions of this Court.

The Majority's decision to issue a federal service mark registration to respondent in the Insurance class, when respondent is not engaged in the insurance business, is in conflict with the long standing decisions of this Court.

The Court below found that the respondent's services are "totally separate from the sale of respondent's products" and "... are rendered to a segment of the public who, ostensibly, are not even the purchasers of respondent's products".

As this Court has long instructed:

"There is no such thing as property in a trademark except as a right appurtenant to an established *business or trade* in connection with which the mark is employed."*

But what is the "Insurance" class "business or trade" with respect to which respondent is allegedly using AIRCO?

3. The decision below jeopardizes the effectiveness of the registration provisions of the Lanham Act.

In order for the federal service mark registration system to be effective, it is important that the register not be cluttered with meaningless, misleading and/or invalid registrations.

According to the decision, any manufacturer may now register its company name in the insurance service class

* *United Drug Company v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918).

so long as it performs clerical acts regarding its own "fringe benefit" insurance program.

As a result, literally hundreds of thousands of companies which do nothing more than manufacture products may now register their company names in the insurance class, as well as in many other service classes. These companies are not in the insurance business, do not have an insurance license in any jurisdiction and quite clearly do not engage in a "business or trade" involving insurance; however, all of these companies may now obtain registrations in the insurance class.

Such a result undermines and frustrates the purpose of recognizing trademarks or service marks and opens Pandora's box in that, no longer must an applicant be engaged in the business or trade with respect to which it obtains a service mark registration; and, this is even though such registration stands as *prima facie* evidence of an *exclusive* right in the applicant to its trade name for use in association with such service.

4. The decision is in error in that, as a matter of law, the giving of remuneration by a company to its own employees is not a "service" within the meaning of 15 U.S.C. 1053.

To conclude that a company's remuneration of its own employees is in and of itself a "business or trade" is untenable and is contrary to the obvious intent of Congress in enacting 15 U.S.C. 1053 regarding the registration of service marks used in commerce.

As the dissent points out, in enacting the Trademark Act, Congress was not concerned with the private employees

of the owner of a mark. At the time the bill passed the house (H.R. 1654, 79th Cong., 1st Sess. (1945)) Congressman Lanham explained:

"Mr. Speaker, the purpose of the measure is to protect honest business and also to protect the purchasers of commodities so that they may know the origin of the goods they were buying." 91 CONG. REC. (Part 2) 1724 (1945).

The Committee on Patents explained that the bill was intended to accomplish two purposes:

"One is to protect the *public* so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trade-mark has spent energy, time and money in presenting to the *public* the product, he is protected in his investment from its misappropriation . . ." [Emphasis supplied.] [1946] *U.S. Code Cong. Service* 1274.

Conclusion

The Court of Customs and Patent Appeals has appellate jurisdiction over the decisions of the Trademark Trial and Appeal Board in *inter partes* cases (15 U.S.C. §1071a). The Court has a recognized expertise in trademark law. Accordingly, although the Court's decisions are not binding on other federal Courts, such decisions are generally followed throughout the federal Court system.

We therefore respectfully submit that, if the decision below is allowed to stand, the recognition of property rights in marks for services which do not constitute a trade or business will, in effect, become the law of the land.

For the reasons stated, a Writ of Certiorari should issue to review the judgment and opinion of the United States Court of Customs and Patent Appeals.

Respectfully submitted,

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APPENDICES

APPENDIX A

**UNITED STATES COURT OF CUSTOMS AND
PATENT APPEALS**

Opposition No. 56,735.

AMERICAN INTERNATIONAL REINSURANCE COMPANY, INC.,
Appellant,

v.

AIRCO, INC.,
Appellee.

DECIDED: FEBRUARY 23, 1978

LANE, Judge.

This is an appeal from the decision of the Trademark Trial and Appeal Board (board) in opposition No. 56,735 denying appellant-opposer's (opposer) motion for summary judgment and granting appellee-applicant's (applicant) cross-motion for summary judgment. We affirm.

Application Being Opposed

The application being opposed is application serial No. 25,457, filed June 27, 1974, alleging first use in commerce on May 1, 1935, for the mark AIRCO, for the service of "administering annuity plans for others."

*Appendix A**Applicant*

Applicant was incorporated in New York in 1915 under the name of Air Reduction Company, Inc.; this continued to be its legal name until October 1, 1971, when it was changed to Airco, Inc. It has a diversified product line which includes, inter alia, industrial gases, gas welding and cutting equipment, medical gases and hospital equipment, and carbon and graphite products. Applicant has obtained 88 trademark registrations of AIRCO in various classes of goods and services.

The Retirement Income Plan

In 1935, applicant adopted a Retirement Income Plan for its employees, which plan was described in a brochure which it distributed to its employees; the 1935 brochure prominently displayed the term AIRCO. The original plan, which was a voluntary contributory pension-annuity plan, was offered only to employees of applicant and of applicant's subsidiaries; subsequently, it has been expanded to also include employees of any affiliate of applicant. The details of the plan, and changes that have occurred since its adoption, are not relevant to the issues on appeal. Suffice it to say that participation in any of applicant's pension-annuity plans stems in every case from having been an active employee (or survivor) of applicant, or of a subsidiary or affiliate of applicant.

*Appendix A**The Services for which Applicant Seeks to Register the Mark AIRCO*

The plans are administered by a pension committee, which committee consists of three members of applicant's board of directors. The pension committee has the power to make final, unappealable determinations of benefits due in the event of any conflict between a participant and the insurance company or trustee (applicant is not the actual insurer or trustee).

The Airco Pension Plans vest after a period; currently, there are 727 participants of the plan who are not now, but were once, Airco employees. Applicant maintains records on them and after they reach retirement age will direct the insurer to make annuity payments to them.

In 1970, Airco sold its Chemicals and Plastics Division. A part of the purchase agreement was that service with the purchaser counts for vesting under the Airco Pension Plan; applicant continues to maintain records of those persons and will, when they reach retirement age, direct annuity payments.

A major current responsibility of applicant relates to the annuitants who are presently receiving benefits. Each month the insurer prints and mails checks to these annuitants from computer-based records; each month applicant sends to the insurer information to alter the monthly annuity payments. This information includes, inter alia, new annuitants, address changes, deceased annuitants, and payment of death benefits. This work is done under the supervision of the pension committee, and applicant has the sole responsibility for the accuracy of the foregoing information; the insurer's responsibility and authority is limited to making the changes and payments as instructed.

Appendix A

Proceedings Below and the Board's Opinion

In its notice of opposition, opposer asserts, inter alia: that it is an insurance corporation formed in 1948 under the laws of Panama; that it has continuously used the acronym AIRCO in connection with its business, as well as using it to advertise in the U.S.; that companies in which it has a controlling interest, which do business in the U.S., have used the term AIRCO to show their relationship to opposer; that in connection with the services for which registration is sought, applicant's "in-house" use of the term AIRCO is not a "use in commerce" within the meaning of the Trademark Act (hereinafter referred to as "the Act"); and that if registration is permitted, likelihood of confusion will result. After taking extensive discovery, both parties moved for summary judgment.

The board viewed the issue of whether applicant performs a service within the meaning of the Act as an ex parte issue which cannot be raised in an opposition proceeding; it then concluded that since applicant's 1935 use date was unchallenged, and since opposer's earliest claimed use was 1948, applicant's rights are superior to opposer's. Therefore, it granted applicant's cross-motion for summary judgment and dismissed the opposition.

Appendix A

OPINION

We believe the board erred in refusing to consider whether applicant performs a service within the meaning of the Act. This issue was inextricably entwined with the ground for opposition predicated on likelihood of confusion (the ground based on §2(d) of the Act, 15 USC 1052(d)) since it went to the priority of use inquiry.

While we would find it useful to have the board's view on this issue, the interest of judicial economy would be better served by not remanding to the board since: the facts as to the nature of the services are not in dispute; the issue is solely one of law; and both parties extensively addressed the issue in their briefs.

The dispositive issue, as briefed and argued by the parties, is whether the "administering of annuity plans for others," where the "others" is restricted to employees and ex-employees (and their surviving beneficiaries) of applicant, or of a subsidiary or affiliate of applicant, is capable of forming the basis of a service mark registration.

While the Act defines the term "service mark,"¹ it does not define the broad term "services." Similarly, the legislative history of the Act addresses the term "service mark" but sheds little light on what was intended to be meant by "services."² It would appear self-evident that no attempt was made to define "services" simply because of the plethora of services that the human mind is capable of conceiving. This, ipso facto, would suggest that the term be lib-

1. Section 45, 15 USC 1127.

2. For a detailed discussion of the legislative history of the Act as it relates to the service mark provisions, see *Ex parte Procter & Gamble Co.*, 97 USPQ 78, 82-84 (P.O. Ex-in-Chief 1953).

Appendix A

erally construed. Cognizant of the foregoing statement, each case must be decided on its own facts, giving proper regard to judicial precedent.

Turning to the facts in the case at hand, applicant's principal business is the manufacturing of sundry products; in connection with its business, applicant offers to its employees (and the employees of its subsidiaries and affiliates) the services in question. The employees have the option of enrolling in applicant's contributory annuity-pension plan, and concomitantly, the option of receiving the services offered by applicant; if they elect to, the employees can go to the marketplace and select a different annuity plan, which plan would be administered by an entity other than applicant. The fact that the services in question are offered only to applicant's employees (and the employees of its subsidiaries and affiliates) is of no moment; the Act does not preclude registration simply because the services are offered only to a limited segment of the public (that the employees are, indeed, members of the public cannot be seriously questioned—being employed by applicant does not strip them of this status).

Opposer argues, however, that the Act does not abrogate the common law requirement that a service mark must be used in association with a trade or business to identify one's services and distinguish them from those of others; that the in-house clerical acts which applicant performs in connection with the pension-annuity plans it offers its own employees is not such a trade or business; and that these acts are merely part of applicant's operation of its own manufacturing business.

Appendix A

Assuming, arguendo, that such requirement is a *sine qua non* for federal registration, the fact that applicant manufactures products (a trade or business beyond per-adventure) and, in connection therewith, renders the services in question, is sufficient to satisfy it. The fact that the services in question are not applicant's principal trade or business is immaterial; the Act makes no distinction between services on this basis. See 1 J. T. McCARTHY, TRADE-MARKS AND UNFAIR COMPETITION ¶19.30, at 708-09 (1973).

Taking a somewhat different tack, opposer contends that the services offered by applicant are, in effect, fringe benefits, and, as such, are rendered merely as an accessory to its own employee recruiting effort and its own manufacturing business; relying on *Ex parte Armco Steel Corp.*, 102 USPQ 124 (Comm. Pat. 1954), and *In re Johnson Publishing Co.*, 130 USPQ 185 (TTAB 1961), opposer, therefore asserts that these services cannot form the basis of a service mark registration. In *Armco*, applicant was in the business of selling stainless steel products; in connection with its selling efforts, it offered to analyze the requirements of prospective customers (the service for which registration was sought). In *Johnson*, applicant sought service mark registration for a "puzzle contest," which contest was designed to promote the sale of applicant's magazine. The common thread underlying both of these cases is that the service rendered was not sufficiently separate from the sale of a product. In this regard, see also *In re Orion Research Inc.*, 523 F.2d 1398, 187 USPQ 485 (CCPA 1975). The services in the present case, in contradistinction to those in *Armco*, *Johnson*, and *Orion*, are totally separate from the sale of applicant's products—in point of fact, they

Appendix A

are rendered to a segment of the public who, ostensibly, are not even the purchasers of applicant's products; therefore, opposer's reliance on these prior cases is misplaced.

Finally, opposer asserts that since an employee knows that the source of his fringe benefits is his employer, the mark in question cannot serve a service mark function. Presumably, the function opposer is referring to is that of origin indicating. We view this argument as without merit; the fact that an employee may know that the services are provided by his employer does not preclude the mark from functioning to indicate origin. Moreover, the services are also performed for beneficiaries of employees and ex-employees whose knowledge of applicant, absent the mark in question, would be far from certain.

In conclusion, we hold that the services in question are "services" within the meaning of the Act. Concomitantly, applicant, and not opposer, is the prior user. The decision of the board dismissing the opposition is *affirmed*.

AFFIRMED

APPENDIX B

**UNITED STATES COURT OF CUSTOMS AND
PATENT APPEALS**

Appeal No. 77-521.

Opposition No. 56,735.

AMERICAN INTERNATIONAL REINSURANCE COMPANY, INC.,
Appellant,

v.

AIRCO, INC.,
Appellee.

MILLER, Judge, dissenting.

I agree that the board erred in refusing to consider whether applicant performs a "service" within the meaning of the Trademark Act; that, contrary to the board, the question "can properly be considered inter partes"; and that this goes to the question of which party was the prior user. Accordingly, the case should be remanded for the board's discussion and decision on the question.

Failing this, I am persuaded that applicant's "in house" clerical acts in processing "fringe benefit" annuity plans for its own employees (and for those of its subsidiaries and affiliates) and their surviving beneficiaries is not a "service" with respect to which service mark rights may vest. The majority's response that the Trademark Act makes no

Appendix B

distinction on the basis that the services are not applicant's *principal* trade or business simply begs the question of whether the processing of such fringe benefit annuity plans is a "trade or business" for purposes of the Trademark Act.¹ The majority further begs the question by saying that the Trademark Act does not preclude registration simply because the services are offered only to a limited segment of the public. Applicant's employees (and the employees of its subsidiaries and affiliates) and their surviving beneficiaries do *not* constitute "a limited segment of the public" insofar as applicant is concerned.

When the Trademark Act was enacted, Congress was not concerned with the private employees of the owner of a mark. At the time the bill passed the House (H.R. 1654, 79th Cong., 1st Sess. (1954)) Congressman Lanham, himself, stated:

Mr. Speaker, the purpose of the measure is to protect honest business and also to protect the purchasers of commodities so that they may know the origin of the goods they were buying.

91 CONG. REC. (Part 2) 1724 (1945). This view was underscored by the Senate report accompanying the bill. The Committee on Patents stated its belief that the bill accomplished two purposes:

One is to protect the *public* so it may be confident that, in purchasing a product bearing a particular trademark which it favorably knows, it will get the product

1. Such processing of applicant's annuity plans is, as the majority points out, "totally separate from the sale of applicant's products." The sale of goods clearly is a "trade or business" *insofar as the public is concerned*; whereas, the processing of applicant's annuity plans is not.

Appendix B

which it asks for and wants to get. Secondly, where the owner of a trade-mark has spent energy, time, and money in presenting to the *public* the product, he is protected in his investment from its misappropriation [Emphasis supplied.]

[1946] U.S. Code Cong. Service 1274.

Although the majority's statement that the term "services" in the Trademark Act should be liberally construed is correct, it stretches "liberalism" to the breaking point to fail to recognize the difference between public goodwill (which is protected by registration of a service mark) and goodwill among the private employees of the owner of the mark.

The majority's suggestion that applicant's mark functions "to indicate origin" (to its employees), even though "an employee may know that the services are provided by [applicant]" is self-contradictory. And it is pure conjecture for the majority to say that the knowledge of applicant on the part of ex-employees and the beneficiaries of employees "would be far from certain."

APPENDIX C

ESK
Paper No. 46

U. S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

AMERICAN INTERNATIONAL REINSURANCE COMPANY, INC.

v.

AIRCO, INC.

Motion

Opposition, No. 56,735, to application Serial No. 25,457, filed
June 27, 1974.

Hopgood, Calimafde, Kalil, Blaustein and Lieberman for
American International Reinsurance Company, Inc.

H. Hume Mathews and Edmond W. Bopp and Morton,
Bernard, Brown, Roberts, & Sutherland for Airco, Inc.

Before Lefkowitz, Bogorad and Kera, Members.

Opinion by Lefkowitz, Member:

An application has been filed by Airco, Inc. to register
the mark "AIRCO" for the service of administering an-
nuity plans for others, use since May 1, 1935 being alleged.

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Registration has been opposed by American Interna-
tional Reinsurance Company, Inc. on the ground that appli-
cant is not licensed under the insurance laws of any state;
that its sole claim of use is predicated on its own, in-house
pension plan for its employees which cannot be considered
use in commerce within the meaning of the Lanham Act;
that applicant has made no use of its mark in commerce for
the services recited at any time prior to filing its applica-
tion; that applicant's mark is identical to the mark used to
identify opposer's services which are of the same general
character as those recited by applicant; and that registra-
tion of the subject mark to applicant for the specified goods
is likely to cause confusion of customers in the insurance
field as to the source of such services.

Applicant has, in answer to the notice of opposition,
denied the salient allegations thereof and as separate de-
fenses has alleged that it has acquired common law rights
in the mark "AIRCO" on a wide variety of goods and serv-
ices since 1917 and more particularly, in connection with the
services of administering annuity plans for others since
1935, long prior to opposer's adoption of "AIRCO" as an
acronym for its corporate name; that opposer alleges no
facts which, if proved, would establish that its use is prior
to applicant's and therefore cannot sustain its burden of
proving superior rights in the mark; that opposer has al-
leged no use or right to use the mark in the United States;
that applicant is the owner of 84 United States and 142
foreign registrations for the mark; that nothing in the
Lanham Act denies compliance with the requirement for
use in commerce merely because the services are rendered
to a selected group; that applicant's services are rendered

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to persons in many states including employees of applicant, ex-employees and surviving spouses; that the services rendered are for the benefit of others and are not incidental to the sale of goods or the performance of another service; that the mark identifies applicant and its service to employees and prospective employees through literature placed in placement offices; and that the services arise out of its Pension Plan for Salaried Employees, complies with and is governed by the Welfare and Pension Plans Disclosure Act and thus constitutes commerce lawfully regulated by Congress.

This case now comes up on opposer's motion for summary judgment and applicant's cross-motion for summary judgment. Both parties have filed opposing briefs as to the other's motion.¹ Additionally each has filed extensive material in support of its own motion.²

Opposer's motion for judgment is predicated on its contention that applicant is not in the insurance business that its pension and annuity plan services are performed for its own employees rather than for others as contemplated by the Lanham Act and that these activities for which applicant seeks a Federal registration are not performed "in commerce".

Applicant, on the other hand, submits that opposer's motion is based on a single *ex parte* ground and requests

(1) Each party requested extensions of time in which to file an opposing brief. There having been no objection by the opposite party, said requests are granted and the briefs are deemed to be timely.

(2) Applicant has requested an oral hearing on the motions. In connection therewith, it is not the practice of the Board to hold oral hearings on motions, particularly where as here both parties have filed extensive briefs thereon.

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relief which the Board cannot give. Nevertheless applicant argues in detail that its specified services fall within the requirements of the Lanham Act and are clearly registrable. It is further contended by applicant that there are no material facts in this proceeding which are in dispute; that since opposer has pleaded no prior usage of the mark, it cannot be damaged by a registration to applicant who is therefore entitled to summary judgment in its favor.

The question raised by opposer's motion is, as stated by applicant, an *ex parte* consideration and can afford no basis for judgment in favor of opposer on the *inter partes* issue of likelihood of confusion raised in the opposition. See: *Esso Standard Oil Company v. Allis-Chalmers Manufacturing Company*, 119 USPQ 475 (TT&A Bd., 1958), and cases cited therein. The question of whether or not applicant performs a service within the meaning of the Lanham Act is one for determination in the first instance by the Examiner of Trademarks, not the Board.³

As to applicant's cross-motion, it is well established law that in order to prevail in an opposition predicated on the issue of likelihood of confusion, an opposer must allege and/or establish that it will suffer damage from the issuance of the registration which applicant seeks. To do so, opposer must possess a superior right to the mark in question.

In this regard, it is noted that affidavits submitted in support of applicant's motion establish that applicant's use of the mark "AIRCO" in connection with its pension and

(3) In the event the applicant finally prevails with regard to the *inter partes* issues of this proceeding, the Board will recommend that the Examiner re-examine the application in light of all of the available material.

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annuity plans began in 1935 and has continued to the present. Not only has this use date been unchallenged by opposer, but in fact appears to be supported by opposer's own Exhibit B, "Support for the Undisputed Facts" which contains a photocopy of applicant's booklet, the title page of which reads, "Retirement Income Plan for Employees of Air Reduction Company Incorporated and Wholly Owned Subsidiaries—effective May 1, 1935". Opposer's earliest claimed use of the term "AIRCO" is 1948.

Since the record shows that applicant's rights are superior to opposer's, opposer cannot be damaged by issuance of the registration which applicant is seeking. See: *Hollowform, Inc. v. Delma AEH*, 185 USPQ 790 (CCPA, 1975). Decision:

Opposer's motion is denied, applicant's motion is granted and the opposition is dismissed with prejudice.

Aug. 30 1976

/s/ S. LEFKOWITZ
S. Lefkowitz

/s/ A. BOGORAD
A. Bogorad

/s/ D. J. KERA
D. J. Kera

Members, Trademark
Trial and Appeal Board

APPENDIX D**U.S. Constitution, Article I, Section 8, Clause 3**

The Congress shall have Power . . . To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes.

APPENDIX E**§1053 Service Marks Registrable**

Subject to the provisions relating to the registration of trade-marks, so far as they are applicable, service marks used in commerce shall be registrable, in the same manner and with the same effect as are trade-marks, and when registered they shall be entitled to the protection provided in this chapter in the case of trade-marks, except when used so as to represent falsely that the owner thereof makes or sells the goods on which such mark is used. The Commissioner may establish a separate register for such service marks. Applications and procedure under this section shall conform as nearly as practicable to those prescribed for the registration of trade-marks. July 5, 1946, c. 540, Title I, §3, 60 Stat. 429.

§1127 Construction and Definitions; Intent of Chapter

In the construction of this chapter, unless the contrary is plainly apparent from the context—

The term “service mark” means a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others. Titles, character names and other distinctive features of radio or television programs may be registered as service marks notwithstanding that they, or the programs, may advertise the goods of the sponsor.

Supreme Court, U. S.
FILED

AUG 25 1978

MICHAEL ROBAK, JR., CLERK

IN THE
Supreme Court of the United States

OCTOBER TERM, 1978

No. 78-185

AMERICAN INTERNATIONAL REINSURANCE
COMPANY, INC.,

Petitioner,

v.

AIRCO, INC.,

Respondent.

**RESPONDENT'S BRIEF IN OPPOSITION TO PETITION
FOR WRIT OF CERTIORARI TO THE UNITED STATES
COURT OF CUSTOMS AND PATENT APPEALS**

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INTRODUCTION

There are three reasons why this Court should deny this petition. First, the petition is untimely filed. Second, there is no difficult question of federal law to be decided. Third, the decision below conflicts neither with any decision of this Court nor with the decision of any other court or administrative tribunal. Respondent will treat each in turn.

OBJECTION TO JURISDICTION

The appellate jurisdiction of this Court is "under such Regulations as the Congress shall make," United States

Constitution, Article III, Section 2, Clause 2 (App. A). Congress has limited the appellate jurisdiction from the Court below to writs of certiorari, 28 U.S.C. § 1256, and required, in a civil case such as this, that petitions for those writs be filed within ninety days of entry of the "judgment or decree," 28 U.S.C. § 2101(c) (App. C).

The Court of Customs and Patent Appeals promulgated its decision in this case on Thursday, February 23, 1978. This was endorsed "Decided February 23, 1978." The decision was accompanied by the opinion of the Court, written by Judge Lane, concurred in by Chief Judge Markey and Judges Rich and Baldwin and a dissenting opinion by Judge Miller. On that date, the Clerk of the Court mailed counsel a Notice stating, *inter alia*, "Enclosed is a copy of the Court's decision and opinion . . . A judgment has been entered this day in accordance therewith."

Timely by CCPA rules, petitioner sought rehearing. It was denied that relief on April 27, 1978. Thereafter, still pursuant to that Court's rules, its mandate, stating that the case was "ORDERED and ADJUDGED: Affirmed" and "Dated February 23, 1978" was certified on May 4, 1978 by its Clerk to the Patent and Trademark Office.

The petitioner waited until August 2, 1978 to docket this petition and has, by its delay, thereby removed the matter from the jurisdiction of this Court if any act or event prior to May 4, 1978 constitutes the "judgment or decree" of the Court below. That Court's current rules, effective January 1, 1977, use neither the word "judgment" nor "decree." Rules 5.12 and 6.1 and 6.12 (App. D) use the terms "decisions," "opinions," and "mandates," to indicate that decisions predate mandates and that decisions may have accompanying opinions.

The current Procedural Handbook of the CCPA (App. D) explicitly equates "decision" with "entry of judgment." The prior rules used the term "date of judgment" in the

Rules for calculating the time for rehearing and mandate and the change was of language, not substance.¹ The aforementioned Notice stated that a judgment was entered February 23. The mandate was *dated* February 23 and stated the case was "Ordered and Adjudged" on that date.

This case is in the nature of an equity proceeding, that is no jury or money damages are involved. A decree is a judgment of a court of equity, *Black's Law Dictionary*, Fourth Edition. To "adjudge" is to "decree" and to "order" is to "mandate," "command," or "direct," *Black's, supra*.

The foregoing argument clearly demonstrates that the "decree" or "judgment" of the Court of Customs and Patent Appeals occurred on February 23, 1978. Hence, the time for petitioning this Court for a writ of certiorari

¹ Effective January 1, 1977 the rules of the CCPA were amended. The purpose of the amendments were explained at the Court's next judicial conference. The comments of the Clerk, George E. Hutchinson, were as follows:

"V. The former rules provided that a petition for rehearing could be filed within 20 days after 'entry of judgment.' At the same time the mandate rule stated that the mandate would issue after 21 days from the 'date of judgment.' As you can see, this created a hiatus of one day. The new rules solved this problem and now provide that a petition for rehearing may be filed within 21 days from 'date of decision.' You may have caught the change in language between 'entry of judgment' and 'date of decision' in connection with this rehearing rule. I did this on purpose to emphasize the fact that there was a language change in this rule and the rule concerning mandates. Both rules now use the term 'date of decision' rather than 'entry or date of judgment.' *This was not a substantive change but one only of language* to emphasize the fact that time periods for either a petition for rehearing or the issuance of a mandate are from the actual date of the decision or, to state another way, the issuance of the court's opinion." [Emphasis Added]

Proceedings of the Fourth Judicial Conference of the Court of Customs and Patent Appeals, May 18, 1977 (not yet published).

expired on May 24, 1978 and this petition was filed ten weeks late.

If there could be any question that the "judgment" in this case was not entered February 23, 1978² but on ensuing May 4, this Court ruled on that precise point last October 3 in *Dann v. Chatfield* (No. 76-1559) where a petition from the same Court below was filed ninety days after the mandate was certified but ninety days and three weeks after the decision and opinion. That ruling in its entirety is equally applicable here:

"Petition for writ of certiorari to the United States Court of Customs and Patent Appeals, in 76-1559, is denied as untimely filed, 28 U.S.C. § 2101(c)." 54 L.Ed. 2d. 155."

QUESTIONS PRESENTED

The petition lists four questions said to be "presented". If this case does present the first three, the answer to each is, clearly, "NO." The fourth is more simply not even presented. What is presented is simply this:

May respondent register, under the federal trademark act, a mark which it has used for over forty years in connection with the administration of annuity plans for employees, retired employees, ex-employees, persons similarly connected with subsidiaries, affiliates, and former divisions, and non-employee successors and beneficiaries of all such persons?

² It may be argued that the filing of a petition for rehearing tolls the period provided by 28 U.S.C. § 2101(c) (App. C) until its denial, *Nebraska v. Pink*, 317 U.S. 264 (1942). Such denial took place in this case on April 27, 1978. If such argument were to be accepted, then the present petition would have been due on July 26, 1978 and would have been untimely by only one week—not ten.

³ Compare *Sanabria v. United States*, 46 L.W. 4646 (1978) noting the time period for criminal petitions is not jurisdictional.

ADDITIONAL CONSTITUTIONAL, STATUTORY, AND RULE PROVISIONS INVOLVED

In addition to the provisions cited by Petitioner, this case involves: Article III, Section 2, Clause 2 (App. A); 15 U.S.C. §§ 1053, 1112, and 1127 (App. B); 28 U.S.C. §§ 1258 and 2101(c) (App. C); Rules and Procedural Handbook of the Court of Customs and Patent Appeals: Rules 5.12, 6.1 and 6.2 and Handbook, section 19 (App. D).

STATEMENT OF THE CASE

The Facts

Opposer's list of "The Undisputed Facts" is grossly misleading, as well as being, in some respects, simply wrong. Respondent reproduces below, verbatim, facts correctly discerned by the Court below:

"In 1935, applicant adopted a Retirement Income Plan for its employees, which plan was described in a brochure which it distributed to its employees; the 1935 brochure prominently displayed the term AIRCO. The original plan, which was a voluntary contributory pension-annuity plan, was offered only to employees of applicant and of applicant's subsidiaries; subsequently, it has been expanded to also include employees of any affiliate of applicant. The details of the plan, and changes that have occurred since its adoption, are not relevant to the issues on appeal. Suffice it to say that participation in any of applicant's pension-annuity plans stems in every case from having been an active employee (or survivor) of applicant, or of a subsidiary or affiliate of applicant.

"The plans are administered by a pension committee, which committee consists of three members of applicant's board of directors. The pension committee has the power to make final, unappealable determinations of benefits due in the event of any conflict between a

participant and the insurance company or trustee (applicant is not the actual insurer or trustee).

"The Airco Pension Plans vest after a period; currently, there are 727 participants of the plan who are not now, but were once, Airco employees [The plans, of course, also include thousands of persons still employed.]. Applicant maintains records on them and after they reach retirement age will direct the insurer to make annuity payments to them.

"In 1970, Airco sold its Chemicals and Plastics Division. A part of the purchase agreement was that service with the purchaser counts for vesting under the Airco Pension Plan; applicant continues to maintain records of those persons and will, when they reach retirement age, direct annuity payments.

"A major current responsibility of applicant relates to the annuitants who are presently receiving benefits. Each month the insurer prints and mails checks to these annuitants from computer-based records; each month applicant sends to the insurer information to alter the monthly annuity payments. This information includes, inter alia, new annuitants, address changes, deceased annuitants, and payment of death benefits. This work is done under the supervision of the pension committee, and applicant has the sole responsibility for the accuracy of the foregoing information; the insurer's responsibility and authority is limited to making the changes and payments as instructed." *American International Reinsurance Co. v. Airco, Inc.*, 570 F.2d 941, 942-943 (C.C.P.A. 1978).

The facts thus recited by the court below are sufficient to support its judgment; a complete and detailed recitation of all that Airco has done over the forty-year history of its administration of its pension plans would require scores of pages to recite.

Obviously respondent's participation in the policies and problems of administering its pension plans goes far

beyond anything properly defined by petitioner's epithet, "clerical".

The Dispute

Respondent, on June 27, 1974, applied to the Patent and Trademark Office to register the mark "AIRCO" as a service mark on the Principal Register in Class 36, relying on the factual history set out above. The application recited May 1, 1935 as the date of first use in commerce and copies of the brochure referred to by the CCPA in the passage from its opinion quoted above were filed as the requisite specimens showing use of the mark. The Examiner passed the application for publication, reciting applicant's services as "administering annuity plans for others"; it was so published and petitioner opposed. The Trademark Trial and Appeal Board, on cross-motions for summary judgment dismissed the opposition; the CCPA affirmed, and the present petition ensued.

NO QUESTION PRESENTED DESERVES THE ATTENTION OF THIS COURT

As the petition notes on page 12, the registration sought by respondent would stand as *prima facie* evidence of an exclusive right. The Opinion below shows that respondent's attainment of this right is of considerable, though perhaps still contingent, interest to the parties to this suit. However, the decision below presents no difficult question of federal law which needs to be decided by this Court and certiorari for that reason is unwarranted. Rule 19.1(b) of this Court. Indeed, the only question involved, a factual one, is who provides the services for which registration is sought. On the identical record,⁴ the Examiner, the Trademark Trial and Appeal

⁴ The petitioner admitted applicant's *ex parte* papers to the Examiner were accurate and truthful, as it had to, in its motion

Board, and the Court of Customs and Patent Appeals, have decided that respondent has provided these services.

The case does not present the question of whether the owner of a mark used in connection with a service performed in commerce may register the mark. The statute explicitly so provides. 15 U.S.C. § 1053 (App. B).

The case does not present the question of whether the seller or administrator of an insurance plan may register his mark. Trademark classification pursuant to 15 U.S.C. § 1112 (App. B) so provides. Service mark class 36 is: "36. Insurance and Financial", 37 C.F.R. § 6.1.

The case does not present the question of whether a service offered only to a limited class of customers is unregistrable. The petitioner does not so assert, wisely, in view of the unqualified language of the statute.

On the facts, it must be uncontested that:

1. A service in interstate commerce has been performed for over forty years.
2. The service is administering an annuity program.
3. The insurance companies function as the agents (as well, in some cases, as underwriter) for some administrator.
4. Such an administrator is entitled to register his mark.

Petitioner's entire case is that the Examiner, the Board, and the Court below made an erroneous legal judgment that respondent as that administrator, is entitled to registration. Petitioner's contention is that respondent does not qualify as a registrant because such administrative services are not its primary business.

for summary judgment. Upon that admission, the applicant, respondent here, based its countermotion for summary judgment, the grant of which is here sought to be reviewed.

The petition attempts to substitute half-truth for controlling legal and factual reality. It states (p. 5), "* * * ultimate responsibility for administering the plans is stated to reside in a 'Pension Committee' comprising persons not employed by respondent." But the petition conveniently does not reveal, in this statement of so-called undisputed fact, that the Pension Committee is made up of three members of respondent's Board of Directors. They are outside directors ineligible for pension under the Airco plan in order to remove any personal conflict of interest. As such, they are agents acting, by direction of the whole Board, for the respondent Airco, Inc., which is therefore necessarily "the administrator." Moreover, for the plans under Pension Committee supervision, insurers and trustees are selected and changed, and the very character of successive plans established and amended, by Airco, Inc., as a corporate decision of the whole Board, and very substantial record-keeping and correspondence is done by the Airco pension staff personnel, in direct Airco employ.

NO DECISIONAL CONFLICT

The decision below presents no conflict with any decision of this Court (or of any other court or administrative tribunal) and to grant certiorari based on that reasoning would be unwarranted. The petition does state several propositions which are inconsistent with the decision and which it must hope to induce this Court to assume are proper statements of the law. These are:

1. A person may register a mark for only his principal goods or services.
2. If a person does not have a license to underwrite insurance, he may not register a mark he uses in the lawful administration of an insurance plan.
3. A person may not register a mark if his customers already know him.

4. A person may not register a mark for a service unless a competitor offers a more attractive price for that service.

5. Only the largest concerns in a line of business are entitled to register their marks.

All of the above are interesting and debatable suggestions for enactment into federal trademark policy. Petitioner does not really suggest that they now find support in either statutory or decisional law.

Petitioner cites two decisions of this Court, neither of which supports its argument. *United Drug Company v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918) presented a question of territorial conflict of marks. Since the applicable federal statute did not apply to intrastate commerce, the Court decided the case on common law principles. It found that prior usage by petitioner in Massachusetts gave it no grounds to complain of a subsequent innocent usage in Kentucky. In that context, it stated that a trademark was "a right appurtenant to an established business."⁵

The second citation, to *The Trade-Mark Cases*, 100 U.S. 82, 86 (1879), is to a decision holding the 1870 trademark act unconstitutional as including protection of marks used only in intrastate commerce. The petition cites, on page 9, a passage, not of Mr. Justice Miller's opinion, but of the Attorney General's argument.

Be that as it may, the statement "commerce . . . comprehends intercourse for the purpose of trade" gains petitioner nothing. The service of administering these annuity plans has been regulated by the federal government since 1958, first under the Welfare and Pension Plan

⁵ Non-profit institutions such as the Boy Scouts, the Girl Scouts, and universities are in "business" for trademark purposes, common law and statutory. In any event, respondent is certainly "an established business".

Disclosure Act, 29 U.S.C., Chapter 10, succeeded by the Employment Retirement Income Security Program (ERISA), 29 U.S.C., Chapter 18. This is not the case in which to find that the ERISA statute is unconstitutional.

The administration of these plans is an act in interstate commerce and the trademark laws, extending to "all commerce which may be lawfully regulated by Congress," 15 U.S.C. § 1127 (App. B), permit the Commissioner to register this mark upon application of respondent.

CONCLUSION

The petition should be dismissed because it was untimely filed, because it presents no question *per se* compelling the attention of this Court, and because it not only presents no decisional error, but also no conflict with any other decision at all.

Respectfully submitted,

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Appendices

1a

APPENDIX A

U.S. Constitution, Article III:

"Section 2, Clause 2. Supreme Court, Original and Appellate Jurisdiction

In all Cases affecting Ambassadors, other public Ministers and Consuls, and those in which a State shall be Party, the supreme Court shall have original Jurisdiction. In all the other Cases before mentioned, the supreme Court shall have appellate Jurisdiction, both as to Law and Fact, with such Exceptions, and under such Regulations as the Congress shall make."

APPENDIX B

Title 15, United States Code:

“§ 1053. Service marks registrable

Subject to the provisions relating to the registration of trademarks, so far as they are applicable, service marks used in commerce shall be registerable, in the same manner and with the same effect as are trade-marks, and when registered they shall be entitled to the protection provided in this chapter in the case of trade-marks, except when used so as to represent falsely that the owner thereof makes or sells the goods on which such mark is used. The Commissioner may establish a separate register for such service marks. Applications and procedure under this section shall conform as nearly as practicable to those prescribed for the registration of trade-marks. July 5, 1946, c. 540, Title I, § 3, 60 Stat. 429.”

* * *

“§ 1112. Classification of goods and services; registration in plurality of classes

The Commissioner may establish a classification of goods and services, for convenience of Patent Office administration, but not to limit or extend the applicant's rights. The applicant may file an application to register a mark for any or all of the goods and services upon or in connection with which he is actually using the mark: *Provided*, That when such goods or services fall within a plurality of classes, a fee equaling the sum of the fees for filing an application in each class shall be paid, and the Commissioner may issue a single certificate of registration for such mark. July 5, 1946, c. 540, Title IV,

§ 30, 60 Stat. 436; Oct. 9, 1962, Pub.L. 87-772, § 16, 76 Stat. 773.”

* * *

“§ 1127. Construction and definitions; intent of chapter

In the construction of this chapter, unless the contrary is plainly apparent from the context—

* * *

The word ‘commerce’ means all commerce which may lawfully be regulated by Congress.

The term ‘principal register’ refers to the register provided for by sections 1051 to 1072 of this title, and the term ‘supplemental register’ refers to the register provided for by sections 1091 to 1096 of this title.

The term ‘person’ and any other word or term used to designate the applicant or other entitled to a benefit or privilege or rendered liable under the provisions of this chapter includes a juristic person as well as a natural person. The term ‘juristic person’ includes a firm, corporation, union, association, or other organization capable of suing and being sued in a court of law.

The terms ‘applicant’ and ‘registrant’ embrace the legal representatives, predecessors, successors and assigns of such applicant or registrant.

* * *

The term ‘service mark’ means a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others. Titles, character names and other distinctive features of radio or television programs may be registered as service marks notwithstanding that

they, or the programs, may advertise the goods of the sponsor.

* * *

The term 'mark' includes any trade-mark, service mark, collective mark, or certification mark entitled to registration under this chapter whether registered or not.

For the purposes of this chapter a mark shall be deemed to be used in commerce (a) on goods when it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto and the goods are sold or transported in commerce and (b) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in this and a foreign country and the person rendering the services is engaged in commerce in connection therewith.

* * *

The intent of this chapter is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commerce from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks; and to provide rights and remedies stipulated by treaties and conventions respecting trade-marks, trade names, and unfair competition entered into between the United States and foreign nations. July 5, 1946, c. 540, Title X, § 45, 60 Stat. 443; Oct. 9, 1962, Pub.L. 87-772, § 21, 76 Stat. 774."

APPENDIX C

Title 28, United States Code:

"§ 1256. Court of Customs and Patent Appeals; certiorari

Cases in the Court of Customs and Patent Appeals may be reviewed by the Supreme Court by writ of certiorari. June 25, 1948, c. 646, 62 Stat. 928."

* * *

"§ 2101. Supreme Court; time for appeal or certiorari; docketing; stay

* * *

(c) Any other appeal or any writ of certiorari intended to bring any judgment or decree in a civil action, suit or proceeding before the Supreme Court for review shall be taken or applied for within ninety days after the entry of such judgment or decree. A justice of the Supreme Court, for good cause shown, may extend the time for applying for a writ of certiorari for a period not exceeding sixty days."

* * *

"June 25, 1948, c. 646, 62 Stat. 961; May 24, 1949, c. 139, § 106, 63 Stat. 104."

APPENDIX D

Rules of the Court of Customs and Patent Appeals:

Rule 5.12 CALENDARING AND DISPOSITION OF CASES

“... (g) Decisions and Opinions—Publication. All decisions, and opinions accompanying decisions, of this court shall be provided to the parties, shall be public records of the court and shall be accessible to the public unless based upon proceedings held *in camera* or where a motion to seal the record has been granted under Rule 5.13(g). Opinions which do not add significantly or usefully to the body of law or would not have precedential value will not normally be published. Unpublished opinions shall not be cited as precedent and will not be accepted as such by this court except in support of a claim or *res judicata*, collateral estoppel, or law of the case.”

Rule 6.1 PETITION FOR REHEARING

“A petition for rehearing may be filed within 21 days from the date of decision. The petition shall comply with the printing and service requirements of Rules 5.8, 5.9 and 5.10. It shall be limited to and state points of law or fact which the petitioner believes the court has overlooked or misapprehended and shall not reargue points already considered by the court. Except by permission of the court, a petition for rehearing shall not exceed 10 pages if produced by standard typographic printing or 15 pages of by any other process. Oral argument on the petition is not permitted. Any opposition to the petition must comply with the printing and service requirements for the petition and be filed within 10 days from date of service of the petition.”

Rule 6.2 MANDATES

“(a) When Issued. Mandates shall issue to the lower tribunal after 21 days from the date of decision. The timely filing of a petition for rehearing will stay the mandate until disposition of the petition. If the petition is denied, the mandate shall issue 7 days after denial of the petition. A copy of the opinion or order of the court shall accompany the mandate.

(b) Stay. A stay of the mandate pending application to the Supreme Court of the United States for a writ of certiorari may be granted upon motion served on all parties. The stay shall not exceed 30 days unless the period is extended for cause shown. If during the stay the petition for a writ of certiorari has been filed, the stay will continue until final disposition of the case by the Supreme Court. Upon receipt of an order of the Supreme Court denying the petition, the mandate of the court shall issue.”

Procedural Handbook, The Court of Customs and Patent Appeals, May 1975

“... 19. Filing of Opinions. When an opinion of the court has been agreed upon, the authorizing judge sends a copy, along with any dissenting or concurring opinion, to the Reporter, who then supplies copies to the Clerk for filing and distribution. Neither the Reporter nor the Clerk is given advance information on when an opinion is to be handed down. On Thursday of each week throughout the year, the Clerk distributes copies of opinions which have been handed down by the court. If Thursday is a legal holiday, the opinion ‘down day’ for the week is Wednesday. The ‘down day’ is the decision (entry of judgment) date. Copies of published opin-

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ions are sent to counsel, lower tribunals, and selected publishers. Non-published opinions are sent only to counsel and lower tribunals. File copies of opinions can be borrowed from the Clerk's office for reproduction by counsel."

SEP 28 1978

MICHAEL RODAK, JR., CLERK

IN THE

Supreme Court of the United States

October Term, 1978

No. 78-185

AMERICAN INTERNATIONAL REINSURANCE
COMPANY, INC.,

Petitioner,

v.

AIRCO, INC.,

Respondent.

REPLY MEMORANDUM FOR THE PETITIONER

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AMERICAN INTERNATIONAL REINSURANCE COMPANY, INC.,
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REPLY MEMORANDUM FOR THE PETITIONER

Respondent argues that this Petition for Certiorari is not timely, because it was not filed within ninety (90) days from February 23, 1978, the date of the lower Court's decision and opinion.

However, respondent recognizes that a Petition for Rehearing was timely filed with the Court of Customs and Patent Appeals (CCPA) and that, as a result, the mandate of that Court was not issued, much less entered, until May 4, 1978.* Nevertheless, respondent urges that the time for filing a Petition for Certiorari is not to be computed from the date of the issuance of the mandate, but from some earlier date.

* This Petition for Certiorari was docketed on August 2, 1978, within ninety (90) days of the issuance of the mandate.

Hence, the timeliness of this petition turns on whether the date of the lower Court's mandate may be regarded as the "judgment or decree" within the meaning of 28 U.S.C. 2101.

"... We have taken and decided as a matter of course a considerable number of cases in which certiorari was sought within three months after entry of the 'order for mandate' but not within three months after the 'opinion' ". [Emphasis added] *Commissioner of Internal Revenue v. Bedford*, 325 U.S. 283, 285 (1945).

In making its argument, which is essentially a debate in semantics, respondent concedes that the rules of the CCPA, effective January 1, 1977, use neither the terms "judgment" or "decree"; the only terms used are "decisions", "opinions" and "mandates".

This Court has, in the past, been confronted with somewhat similar situations:

"The Rules of the court below [Second Circuit Court of Appeals] governing opinions, rehearings, issuance of mandate and stay of mandate are invoked to show that the 'Opinion' is the appealable 'judgment'. These Rules, like other rules are not phrased with such fastidious precision as to make of all the parts a perfect harmony. But while substantial debating points may be taken, nothing in these Rules contradicts the natural meaning yielded by the terms of the 'Opinion' and the 'Order for Mandate' as reflected in the practice of the Second Circuit and in our own, which treats not the 'Opinion' but the 'Order for Mandate' as the order of judgment." [Emphasis added] *Id.* at 287.

To support its argument that a "mandate" or "order" cannot be a "judgment" or "degree", respondent refers to

Black's Law Dictionary, Fourth Edition. However, according to that very reference, at page 977:

"An order may be a judgment, [citing many cases]."

Then, in an effort to equate the term "decision" with "entry of judgment" respondent refers to the comments* of the Clerk of the CCPA, George E. Hutchinson, regarding a change of language in the rules of that Court, effective January 1, 1977. The change involved substituting "date of decision" for "entry of judgment" in setting the first day of the time period for filing a petition for rehearing and for issuing the mandate.**

Mr. Hutchinson concluded his remarks regarding this change by stating:

"This was not a substantive change but only one of language to emphasize the fact that time periods for either a petition for rehearing or the issuance of a mandate are from the actual date of the decision or, to state another way, the issuance of the Court's opinion."

Indeed, there was no "substantive change" because a *certain day* is intended as the first day of the period within which a petition for rehearing is to be filed and a mandate is to be issued.

However, the Court recognized that it was clearly improper to call this day the date of "entry of judgment". Therefore, the language was changed to delete the improper phrase "entry of judgment" and to substitute the intended "date of decision" which, according to Mr. Hutchinson, is the date of the "issuance of the Court's opinion."

* Footnote 1, page 3, of Respondent's Brief.

** Significantly, nothing is said regarding the period within which to file a Petition for Certiorari.

The CCPA is a very specialized court operating and interacting with the United States Patent and Trademark Office in a rather unique manner. Unlike other courts, the return of a case to the Commissioner of the Patent and Trademark Office is an integral and essential part of the process of judicial review.

According to the United States Code, a "certificate" of the court's "proceedings and decision" is to be entered of record in the Patent and Trademark Office.* Pursuant to Rule 6.2(a)** of the rules of the CCPA, a copy of the "opinion or order" is to accompany the mandate. Apparently, the mandate then is the "certificate" required by 35 U.S.C. 144.

Until such return is accomplished by the issuance of a mandate, the judicial proceedings have not been completed. We, therefore, submit that the mandate is the operative act of the CCPA which reflects and formalizes the Court's disposition of a case, and that it is this act which this Court will review on a petition for certiorari.

Respondent finally refers to a case, *Dann v. Chatfield*, (No. 76-1559), wherein this Court ruled that a petition for certiorari was untimely filed. The circumstances of the *Dann* case are somewhat confusing and, we submit, are not dispositive of the issue in this case.

In *Dann*, this Court had already rendered an exhaustive decision on March 31, 1976, in which the Court reversed the CCPA and remanded the case. It appears from the brief of the petitioner in *Dann*, that, the CCPA thereafter served essentially an administrative function by issuing its own mandate in the furtherance of this Court's mandate.

* 35 U.S.C. 144, reproduced in the attached Appendix F.

** See Respondent's Brief, p. 7a.

When the petitioner in *Dann* then re-petitioned this Court for certiorari, such a re-petition was effectively a Rule 58 Petition for Rehearing which should have been filed within twenty-five (25) days of March 31, 1976, and which was, therefore, untimely.

In the instant case, the decision and opinion of the CCPA were rendered on February 23, 1978. A timely petition for rehearing was denied on April 27, 1978. Quite clearly, the time within which to file a petition for certiorari was stayed by this timely filing of a petition for rehearing.*

Then, pursuant to Rule 6.2(a) of the CCPA, the mandate properly issued on May 4, 1978 [seven (7) days after the Court's denial of petitioner's request for rehearing].

This petition for certiorari was filed precisely ninety (90) days after the issuance of the mandate complained of and, accordingly, we respectfully submit that this petition is timely.

Respectfully submitted,

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* *Nebraska v. Pink*, 317 U.S. 264 (1942).

APPENDIX F

35 U.S.C. §144 Decision on Appeal

The United States Court of Customs and Patent Appeals, on petition, shall hear and determine such appeal on the evidence produced before the Patent and Trademark Office, and the decision shall be confined to the points set forth in the reasons of appeal. Upon its determination the court shall return to the Commissioner a certificate of its proceedings and decision, which shall be entered of record in the Patent and Trademark Office and govern the further proceedings in the case.

